



U.S. Department of Justice

United States Attorney

Eastern District of Pennsylvania

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FOR IMMEDIATE RELEASE

December 10, 2009

## **DURABLE MEDICAL EQUIPMENT COMPANY, SIX OTHERS CHARGED IN MEDICARE FRAUD AND KICKBACK SCHEME**

PHILADELPHIA – R&V Medical Supplies, LLC (“R&V”), located in Philadelphia, Robert Saul, and Sheila Saul were charged today in an indictment<sup>1</sup> that alleges that they conspired to defraud Medicare and other health care benefit programs by submitting more than \$1.2 million in fraudulent claims for reimbursement for durable medical equipment (“DME”), announced United States Attorney Michael L. Levy. In addition, R&V and Robert Saul were charged with 48 counts of health care fraud, six counts of mail fraud, 47 counts of paying illegal kickbacks for Medicare referrals, and three counts of obstruction of justice. Lisa Burnett was charged with 11 counts of receiving illegal kickbacks for Medicare referrals and Carol Mason was charged with 27 counts of receiving illegal kickbacks for Medicare referrals. In separate charges related to this scheme, Susan Landolf was charged by Information with one count of receiving kickbacks for Medicare referrals, and one count of health care fraud; Debra Stallings was charged by Information with one count of health care fraud.

“This case involves breaches of trust at every level: from the medical office employees who sold patient’s identity information to the people charged today who used the Medicare Trust Fund as their personal ATM. Charging Medicare for equipment that no doctor has prescribed and that no patient needs is criminal and people who do this will be prosecuted,” said Levy. “Any Medicare beneficiary who gets equipment that they know nothing about, or who sees payments for equipment on their Explanations of Benefits that they do not recognize, should contact the number on the Explanation of Benefits forms immediately to report it.”

“The results of this case show that the Office of Inspector General will continue to aggressively investigate those who defraud the Medicare program,” said Acting Special Agent-in-Charge Dwight Jackson, HHS-OIG Philadelphia Regional Office. “Together with our partners in the Department of Justice, we will bring justice to those who cheat at the public’s expense.”

According to the indictment, to develop business, defendants R&V Medical Supplies,

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<sup>1</sup>An Indictment or Information is an accusation. A defendant is presumed innocent unless and until proven guilty.

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LLC, Robert Saul and Sheila Saul paid kickbacks to various persons to provide referrals to R&V for the provision of DME to health care benefit program beneficiaries, including Medicare beneficiaries. These referral sources allegedly worked in physician offices or social service or health care agencies and had access to confidential beneficiary information such as names, dates of birth, social security numbers, and health care insurance providers. It is alleged that the amounts paid were based on the amounts and types of DME ordered for each particular beneficiary, with power wheel chairs garnering the highest kickback payments. The indictment alleges that the referral fees were usually not paid until R&V received reimbursement from the applicable health care benefit program for the DME that was ordered as a result of the referral.

According to the indictment, beneficiary information obtained by defendant R&V through these kickback payments was verified by defendants Robert Saul, Sheila Saul, or an R&V employee to ensure that the beneficiary was covered by a health care benefit program and to determine the scope of available coverage. Based on the available coverage, defendants Robert Saul or Sheila Saul allegedly determined the type of DME to order for each beneficiary. In addition to developing business through the payment of kickbacks to outside referral sources, defendants Robert Saul and Sheila Saul allegedly reviewed R&V's files and ordered additional DME for health care benefit program beneficiaries whom R&V had previously supplied. According to the indictment, the additional DME was ordered without regard to medical necessity and was based solely on the beneficiaries' available insurance coverage.

It is alleged that, at the request of defendants R&V, Robert Saul and Sheila Saul, employees of R&V drew up the necessary physician approval paperwork, such as physician orders, product descriptions, letters of medical necessity, and face-to-face examination pages, based on the type of DME to be ordered for each beneficiary and the beneficiary's particular health care benefit program.

United States Postal Inspector-In-Charge of the Philadelphia Division, Teresa Thome said, "The Inspection Service will continue to work with our law enforcement partners to aggressively investigate and prosecute individuals who use the mail to defraud the Medicare program and ultimately the American taxpayers."

According to the indictment, on hundreds of occasions beginning in or about March, 2007, defendant Robert Saul forged, or caused others to forge, physician signatures on the supporting physician approval documents. Defendants R&V, Robert Saul and Sheila Saul allegedly submitted, and caused to be submitted, fraudulent claims for reimbursement for DME to health care benefit programs, including Medicare and IBC that, among other things, were supported by false and fraudulent representations that physicians had ordered and approved the DME.

According to the indictment, defendant Robert Saul employed various tactics to attempt

to cover up and conceal the fraudulent claims, including the following:

a. Saul allegedly attempted to confuse beneficiaries as to the origin of the DME ordered on their behalf by falsely telling them, among other things, that the City of Philadelphia was giving out free medical supplies that they were qualified to receive, or that their physicians had approved them for DME at no cost to the patient;

b. Saul allegedly instructed referral sources at physicians' offices to try to intercept phone calls from the patients whom they had referred in order to prevent them from getting through to the physician and further instructed these referral sources to assure the patients that they were authorized to receive the equipment, which was being provided at no cost to the patient;

c. Saul allegedly conducted a review of R&V's files in an attempt to remove and replace forged physician approval documents after the relevant claims had already been submitted and reimbursed; and

d. Saul allegedly instructed defendant R&V's employees to lie to federal agents if questioned about the illegal kickbacks and forgeries.

INFORMATION REGARDING THE DEFENDANTS

NAME	ADDRESS	AGE OR YEAR OF BIRTH
R&V Medical Supplies, LLC	Philadelphia, Pennsylvania	N/A
Robert Saul	Philadelphia, Pennsylvania	1973
Sheila Saul	Philadelphia, Pennsylvania	1958
Lisa Burnett	Philadelphia, Pennsylvania	1969
Carol Mason	Norristown, Pennsylvania	1952
Susan Landolf	Philadelphia, Pennsylvania	1982
Debra Stallings	Philadelphia, Pennsylvania	1966

If convicted, Robert Saul faces a maximum possible sentence of 5 years imprisonment for conspiracy, 10 years imprisonment for each count of health care fraud, 20 years imprisonment for each count of mail fraud, 5 years imprisonment for each count of paying illegal kickbacks, and 20 years imprisonment for each count of obstruction of justice. If convicted, Sheila Saul faces a maximum possible sentence of 5 years imprisonment. If convicted, Lisa Burnett and Carol Mason each face maximum possible sentences of 5 years imprisonment for each count of

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receiving illegal kickbacks. If convicted, defendant Susan Landolf faces a maximum possible sentence of 15 years imprisonment. If convicted, defendant Debra Stallings faces a maximum possible sentence of 10 years imprisonment.

The case was investigated by the Federal Bureau of Investigation, United States Department of Health & Human Services, Office of Inspector General, and the United States Postal Inspection Service and is being prosecuted by Assistant United States Attorney Mary Kay Costello.

**TO REPORT MEDICARE FRAUD:**

Hotline: (800) HHS-TIPS ((800) 447-8477)  
E-mail: [HHSTips@oig.hhs.gov](mailto:HHSTips@oig.hhs.gov)  
Fax: (800) 223-8164  
Mail: Office of Inspector General  
U.S. Department of Health and Human Services  
Attn.: HOTLINE  
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